GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1977
ANSWERED ON:09.03.2001
BANKING AUDIT COMMISSION
ANANTRAO GUDHE

Will the Minister of FINANCE be pleased to state:

(a) whether All India Bank Employees Association suggested to the Government to institute an independent Banking Audit Commission on lines with Comptroller and Auditor General (CAG) in order to identify the areas of weaknesses, that led to creation of growing number of Non-Performing Assets (NPAs) accounts in the nationalised banks;

(b) if so, the details of the proposal made; and

(c) the action taken by the Government thereon ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b):- Reserve Bank of India (RBI) has reported that it has received a copy of the letter dated 3rd June, 2000 from the All India Bank Employees` Association, Calcutta, wherein it had submitted that there should be an independent Banking and Audit Commission on the lines of the Comptroller & Auditor General of India.

(c):- The Central Government and RBI are of the view that the existing arrangements relating to external audit of banks are adequate and there is no need for setting up a separate Banking Service Audit Commission.